



**Billing Code: 5001-06**

**DEPARTMENT OF DEFENSE**

**Office of the Secretary**

**[Transmittal No. 17-02]**

**36(b)(1) Arms Sales Notification**

**AGENCY:** Department of Defense, Defense Security Cooperation Agency.

**ACTION:** Notice.

**SUMMARY:** The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

**FOR FURTHER INFORMATION CONTACT:** Pamela Young, (703) 697-9107 or Kathy Valadez, (703) 697-9217; DSCA/SA&E-RAN.

The following is a copy of a letter to the Speaker of the House of Representatives,  
Transmittal 17-02 with attached Policy Justification and Sensitivity of Technology.

Dated: March 17, 2017.

Aaron Siegel,  
Alternate OSD Federal Register Liaison Officer,  
Department of Defense.



## DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 208  
ARLINGTON, VA 22202-5408

MAR 16 2017

The Honorable Paul D. Ryan  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 17-02, concerning the Air Force's proposed Letter(s) of Offer and Acceptance to the Government of the United Kingdom for defense articles and services estimated to cost \$150 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J. W. Rixey  
Vice Admiral, USN  
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 17-02

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: United Kingdom

(ii) Total Estimated Value:

Major Defense Equipment*	\$135.0 million
Other	<u>\$ 15.0 million</u>
TOTAL	\$150.0 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

One thousand (1,000) AGM-114-R1/R2 Hellfire II Semi-Active Laser (SAL) Missiles

Non-MDE:

Logistics support services and other related program support

(iv) Military Department: Air Force (YAI)

(v) Prior Related Cases, if any: UK-D-YAC - \$22M - May 2008; UK-D-YAF - \$21M - Mar 2011; UK-D-YAY - \$134M - Aug 2013

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: March 16, 2017

\*as defined in Section 47(6) of the Arms Export Control Act.

## POLICY JUSTIFICATION

### United Kingdom – Hellfire Missiles

The Government of the United Kingdom (UK) requested a possible sale of 1,000 AGM-114-R1/R2 Hellfire II Semi-Active Laser (SAL) Missiles with logistics support services and other related program support. The estimated cost is \$150 million.

This proposed sale directly contributes to the foreign policy and national security policies of the United States by enhancing the close air support capability of the UK in support of NATO and other coalition operations. Commonality between close air support capabilities greatly increases interoperability between our two countries' military and peacekeeping forces and allows for greater burden sharing.

The proposed sale improves the UK's capability to meet current and future threats by providing close air support to counter enemy attacks on coalition ground forces in the U.S. Central Command area of responsibility (AOR) and other areas, as needed. The UK already has Hellfire missiles in its inventory and will have no difficulty absorbing these additional missiles.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

There is no principal contractor for this sale as the missiles are coming from U.S. stock.

Implementation of this proposed sale will not require the assignment of any additional U.S. Government or contractor representatives to the UK.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

## Transmittal No. 17-02

Notice of Proposed Issuance of Letter of Offer  
Pursuant to Section 36(b)(1)  
of the Arms Export Control Act, as amended

Annex  
Item No. vii

(vii) Sensitivity of Technology:

1. AGM-114-R1/R2 Hellfire. The AGM-114-R1/R2 Hellfire II Semi-Active Laser (SAL) Missiles are rail-launched guided missiles developed and produced by Lockheed Martin. The guidance system employs a SAL seeker. The SAL missile homes in on the laser energy reflected off a target that has been illuminated by a laser designator. The laser can be on either the launch platform or another platform that can be separated from it by several kilometers. The target sets are armor, bunkers, caves, enclosures, boats, and enemy personnel. The weapon system hardware, as an "All Up Round," is UNCLASSIFIED. The highest level of classified information to be disclosed regarding the AGM-114-R1/R2 Hellfire II missile software is SECRET. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is SECRET and the highest level that must be disclosed for production, maintenance, or training is CONFIDENTIAL.

The AGM-114 R1/R2 Hellfire II missiles use pulse-coded laser illumination. The R2 variant includes a Height-of-Burst (HOB)/proximity sensor. The AGM-114-R1/R2 missiles each have a multi-purpose selectable warhead and inertial measurement unit (IMU)-Aided Trajectories. The missiles United Kingdom operators employ are only handled by USAF personnel. The United Kingdom does not take possession of, or store the missile, and this policy has been in place since 2008.

2. If a technologically advanced adversary obtained knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce system effectiveness or be used in the development of a system with similar or advanced capabilities.

3. A determination has been made that the United Kingdom can provide substantially the same degree of protection for the AGM-114-R1/R2 Hellfire II missiles as the U.S. Government. Transfer of these missiles to the UK is necessary in the furtherance of U.S. foreign policy and national security objectives.

4. All defense articles and services listed in this transmittal have been authorized for release and export to the United Kingdom.

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